

## **Internal Audit Office**

Date: March 31, 2014

To: Andrew Ching, City Manager

Jeff Kulaga, Assistant City Manager

Cc: Renie Broderick, HR Director

Jon O'Connor, Deputy HR Director

Wydale Holmes, Sr. Learning and OD Associate

From: Barbara Blue, City Auditor

Subject: Tuition and Book Reimbursement Follow-up Audit

## **Background**

An audit of the Tuition and Book Reimbursement Program (the Program) was completed August, 2012. The Program was administered by Tempe Learning Center, which was a standalone Office at the time but has since been combined into the Human Resources Department. In addition to reimbursing employees for tuition, books, certifications and licenses, the Program also assumed the responsibility for administering the Certified Public Manager and educational partnership programs for the City.

As part of our approved Internal Audit Plan for fiscal year 2013/14 we have undertaken a review to follow up on the progress made by staff to implement the thirty-four (34) audit recommendations included in the audit report.

# Audit Objective, Scope, and Methodology

#### **Objective**

The objective of this follow-up was to determine whether the action plans established by TLC staff in response to our recommendations were implemented.

#### Scope

Recommendations made by Internal Audit, and agreed upon by TLC Management were reviewed. Testing was completed, where appropriate. Our work did not provide any guarantee or absolute assurance against material errors, loss or fraud.

### Methodology

We reviewed and analyzed management's evidence of implementation by interviewing staff responsible for addressing recommendations, and reviewing various supporting documentation.

## **Conclusion**

We found that of the thirty-four (34) recommendations made, one has been fully implemented. Recommendation 20.2 stated TLC should ensure that two employees repay the City money owed due to unsuccessful completion of their educational partnership classes. The two employees have repaid the City. Progress has been made on all recommendations. The primary reasons that the recommendations have not been fully implemented are:

- Many of the audit recommendations required revisions of the Tuition and Book Reimbursement Policy. The policy is being revised as a part of HR's overall revision of City Rules and Regulations. The complete set of policy revisions must be approved by the City Council, which is anticipated by December, 2014.
- Some of the recommendations involve programming changes in PeopleSoft ELM, which requires IT support and resources. This work has to be prioritized against other City IT support requirements. Thus, the ELM programming changes are not anticipated until June, 2014.

The attached **Appendix 1** details the status and level of implementation for each of the thirty-four (34) recommendations.

Based on these findings, progress has been made to implement actions to address Internal Audit's recommendations. There are no recommendations that we consider to be receiving inadequate management attention. We encourage staff to continue working on the recommendations that have not yet been implemented.